

25 October 2013

Dear Shareholder

ANNUAL GENERAL MEETING

I am pleased to invite you to attend the Annual General Meeting of Toro Energy Limited to be held at QV.1 Conference Centre, Training Room 1, Level 2, 250 St Georges Terrace, Perth WA 6000 on 28 November 2013 at 10:30am (WST).

An electronic copy of the 2013 annual report is available to download or view on the Company's website at www.toroenergy.com.au/reports.html. The 2013 annual report has also been sent to those shareholders who previously elected to receive a hard copy. In addition, the Company has enabled online voting, details of which are explained on the Proxy Form.

If you are unable to attend the meeting in person, I encourage you to return the enclosed Proxy Form or alternatively nominate a proxy online. If you nominate a proxy, please carefully consider the proxy comments in the attached notice of meeting. Please complete the online nomination or forward the manual Proxy Form by post or fax to the Company's Share Registry, Computershare Investor Services Pty Limited, so that it may be received by 10:30am (WST) on 26 November 2013.

Yours sincerely



ERICA SMYTH
CHAIR

Encl.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2013 Annual General Meeting of Toro Energy Limited will be held on **28 November 2013** commencing at **10:30 am** (WST) (**Meeting**) at:

**QV.1 Conference Centre
Training Room 1
Level 2, 250 St Georges Terrace
Perth WA 6000**

AGENDA

1. Financial Statements and Reports (no resolution required)

To receive and consider the Annual Financial Report, together with the Directors' and Auditor's Reports for the year ended 30 June 2013.

2. Resolution 1: Adoption of Remuneration Report (non-binding)

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 250R (2) of the Corporations Act and for all other purposes, Shareholders adopt the Remuneration Report for the year ended 30 June 2013."

Please note that the vote on this Resolution is advisory only, and does not bind the Directors or the Company (however, please consider the effect of a 'no' vote of 25 per cent or higher, as explained in the Explanatory Statement accompanying this Notice). Resolution 1 is put to Shareholders to allow a reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report. A Voting Prohibition Statement for this Resolution is set out below.

3. Resolution 2: Re-election of Director

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for the purpose of rule 6.4 of the Constitution and for all other purposes, Mr Greg Hall, who retires in accordance with rule 6.1 of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director."

Information about Mr Greg Hall is contained in the Explanatory Statement accompanying this Notice.

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4. Resolution 3: Approval of the Performance Rights Plan

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purpose of the Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholder approval be given to the Performance Rights Plan, the terms of which are summarised in the Explanatory Statement accompanying this Notice, and the issue of securities under the Performance Rights Plan.”

Information about the Performance Rights Plan is contained in the Explanatory Statement accompanying this Notice. A Voting Prohibition Statement and Voting Exclusion Statement for this Resolution are set out below.

5. Resolution 4: The Grant of Performance Rights to Dr Vanessa Guthrie – Managing Director

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholder approval be given for:

- the grant of 12,503,238 Performance Rights to Dr Vanessa Guthrie; and***
- the acquisition of Shares by Dr Vanessa Guthrie upon vesting of Performance Rights,***

pursuant to the Performance Rights Plan, the terms of which are summarised in the Explanatory Statement accompanying this Notice.”

A Voting Prohibition Statement and Voting Exclusion Statement for this Resolution are set out below.

6. Resolution 5: Approval of 10% Placement Capacity

To consider and if thought fit, pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholder approval be given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

A Voting Exclusion Statement for this Resolution is set out below.

NOTICE OF ANNUAL GENERAL MEETING

VOTING PROHIBITIONS AND EXCLUSIONS

Voting Prohibition Statement (Corporations Act) – Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (d) the person is the chair of meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy, even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Voting Prohibition Statement (Corporations Act) – Resolutions 3 and 4

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 3 and 4 if:

- (a) the proxy is either:
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Meeting; and
- (d) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

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Voting Exclusion Statement (Listing Rules) – Resolutions 3 and 4

Further to the Corporations Act voting prohibition set out above, under Listing Rule 14.11, the Company will disregard any votes cast on Resolutions 3 or 4 by any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of those Directors.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Exclusion Statement (Listing Rules) – Resolution 5

The Company will disregard any votes cast on Resolution 5 by any person who may participate in the issue of Equity Securities under this Resolution and any person who might gain a benefit, other than a benefit solely in the capacity of an ordinary security holder, from the passing of Resolution 5 and any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By Order of the Board of Directors

Todd Alder
Company Secretary
Toro Energy Limited

25 October 2013

NOTICE OF ANNUAL GENERAL MEETING

The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice. Shareholders are referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice and the Explanatory Statement.

Proxies - Please note that:

1. a Shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
2. a proxy need not be a Shareholder of the Company; and
3. a Shareholder of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each Resolution.

Express authorisation for undirected proxies

As a member of the Company's key management personnel, the Chairman can only vote undirected proxies if the proxy appointment expressly authorises the Chairman to vote those undirected proxies on those Resolutions.

If a Shareholder appoints the Chairman as their proxy but does not complete any of the boxes "For", "Against" or "Abstain" in relation to any particular Resolution on the proxy form, that Shareholder **will be expressly authorising** the Chairman to vote on the relevant Resolution in accordance with the Chairman's stated voting intention, even if the Resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

The Chairman of the Meeting intends to vote all undirected proxies on, and in favour of, each Resolution. Therefore, if a Shareholder appoints the Chairman of the Meeting as its proxy, without a voting direction on any particular Resolution, that Shareholder's votes will be cast "**For**" the relevant Resolution.

If a Shareholder wishes to appoint the Chairman as proxy with a direction to vote against, or abstain from voting, on any Resolution, the Shareholder **must** specify this by marking the "Against" or "Abstain" box next to that Resolution on the Proxy Form.

Changes to Voting by Proxy

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. If proxy holders vote, they must cast all directed proxies as directed, and any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed. If the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands.

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The **enclosed** Proxy Form must be received not later than 48 hours before the commencement of the Meeting, i.e. no later than 10.30am (WST) on 26 November 2013. Any Proxy Form received after that time will not be valid for the Meeting. The Proxy Form may be lodged in the following ways:

Mail	Facsimile	Online
Computershare Investor Services Pty Ltd GPO Box 242, Melbourne Victoria 3001	1800 783 447 (within Australia) Or +61 3 9473 2555 (outside Australia)	For shareholders www.investorvote.com.au For Intermediary Online subscribers (custodians) only www.intermediaryonline.com

“Snap-shot” Time

The Company's Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that, for the purpose of voting at the Meeting, Shareholders are those persons who are the registered holders of Shares at 7pm (Sydney time) on 26 November 2013.

Corporate Representative

A body corporate who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of Corporate Representative form is available from the Company's share registry's website: www.investorcentre.com.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2013 Annual General Meeting. The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

Item 1: Financial Statements and Reports

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2013 will be laid before the Meeting. A copy of the 2013 Annual Report, which includes these reports, is available on the Company's website at www.toroenergy.com.au/reports.html and on ASX's website www.asx.com.au. The 2013 Annual Report has also been sent by post to those shareholders who have previously elected to receive a hard copy. There is no requirement for Shareholders to approve these reports.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit,

may be submitted to the Company's registered address 169 Fullarton Road, Dulwich, SA 5065 no later than 5pm on 20 November 2013 .

Item 2 – Resolution 1: Adoption of Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2013 is set out in the Directors' Report in the Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company. A reasonable opportunity will be given for the discussion of the Remuneration Report at the Meeting. Shareholders should note that the vote on Resolution 1 is advisory only and does not bind the Company or the Directors.

However, the Corporations Act provides that if a company's remuneration report receives a 'no' vote of 25 per cent or more at two consecutive annual general meetings, a resolution must then be put to shareholders at the second annual general meeting as to whether another meeting should be held (within 90 days) at which all directors (other than the managing director) who were in office at the date of approval of the applicable directors' report must stand for re-election. In summary, Shareholders will be entitled to vote in favour of holding a general meeting to re-elect the Board if the Remuneration Report receives "2 strikes".

Item 3 - Resolution 2: Re-election of Director

Rule 6.1 of the Constitution provides that at the Annual General Meeting, one-third of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to but not exceeding one-third, retire from office but no director may retain office for more than 3 years without submitting himself or herself for re-election even though the submission results in more than one-third of the directors retiring from office. Mr Greg Hall is to retire from office at the Annual General Meeting and, being eligible, seeks re-election as a Director in accordance with Resolution 2.

Mr Greg Hall

Mr Greg Hall trained as a Mining Engineer, worked in senior mine operational management and resource marketing roles before joining Toro Energy Limited as Managing Director upon its start up in 2006. Prior to this he was Director of Sales with Rio Tinto's Bauxite and Alumina division. Greg has also held a variety of senior technical and operational management roles at WMC Resources Limited at its nickel operations and the Olympic Dam project, and with ERA Ltd at their Ranger and Jabiluka operations, and later as Marketing Manager (North America) responsible for uranium sales.

Greg resigned as Managing Director of the Company during 2013 but remains a non-executive director. Greg joined Hillgrove Resources Limited as Chief Executive Officer and Managing Director in February 2013.

Board recommendation: The Board, other than Mr Greg Hall, whose re-election is the subject of Resolution 2, recommends that Shareholders vote in favour of Resolution 2.

Item 4 – Resolution 3: Approval of the Performance Rights Plan

Resolution 3 seeks Shareholder approval of the Performance Rights Plan for the purposes of Listing Rule 7.2 (Exception 9(b)) and for all other purposes.

Reason Shareholder approval is required

Listing Rule 7.1 imposes a limit on the number of equity securities (including Shares issued pursuant to the vesting of performance rights under the Performance Rights Plan) that a company can issue or agree to issue without shareholder approval. Generally, a company may not without shareholder approval issue in any 12 month period a number of equity securities that is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

Listing Rule 7.2 (Exception 9(b)) effectively provides that securities issued pursuant to an employee incentive scheme are not included in the calculation of the 15% limit for Listing Rule 7.1 purposes, provided that the employee incentive scheme and the securities to be issued pursuant to the scheme have been approved by shareholders within the three years prior to the issue of securities.

In the case of a Director, no Performance Rights may be issued under the Performance Rights Plan without express Shareholder approval (pursuant to the related party provisions in the Listing Rules) of the number and terms of the specific Performance Rights to be granted and the Shares to be issued.

A summary of key aspects of the scheme is set out below.

Summary of the terms of the Performance Rights Plan

<i>Purpose</i>	<p>The Performance Rights Plan is a new incentive scheme approved by the Board in October 2013 to provide long term incentives to eligible participants by providing the opportunity to acquire ownership interest in the Company.</p> <p>Under the Performance Rights Plan, "Performance Rights" may be granted to the employees and contractors of the Company or a Subsidiary (Eligible Participants). Performance Rights:</p> <ul style="list-style-type: none"> • will be granted subject to the terms and conditions of the Performance Rights Plan; and • will be granted in circumstances where the Board believes that it will attract quality employees, motivate and retain employees, align the interests of employees and the Company, increase share value by motivating employees and to provide employees with an opportunity to share in the success of the Company.
<i>Term</i>	<p>The Performance Rights Plan was approved by the Board in October 2013 and continues in operation until it is terminated by the Board.</p>
<i>Administration</i>	<p>The Board will manage and administer the Performance Rights Plan unless it decides to delegate the management and administration of the Performance Rights Plan to a person or persons.</p>
<i>Board's discretion to invite Eligible Participants</i>	<p>The Board has an absolute discretion to determine if an Eligible Participant should be invited to participate in the Performance Rights Plan, and the number of Performance Rights that should be offered to an Eligible Participant.</p> <p>In determining whether to grant a Performance Right, the Board will have regard to the Eligible Participant's:</p> <ul style="list-style-type: none"> • length of service to the Company; • contribution to the Company; • potential contribution to the Company; and • any other matters which the Board considers relevant.
<i>No consideration payable</i>	<p>No consideration is payable by a participant in respect of the grant of Performance Rights, nor is any amount payable upon the vesting of Performance Rights, or the subsequent issue of Shares in respect of them.</p>

5% cap	<p>Broadly, an offer of Performance Rights may only be made if the maximum number of shares that may be acquired on exercise of the Performance Rights under the Performance Rights Plan in aggregate with the rights to securities and shares issued to the participant in the previous five year period, does not exceed 5% of the issued shares in the Company.</p> <p>This is subject to a range of exclusions, including, for example, securities issued under a disclosure document, or which did not require disclosure because of section 708 of the Corporations Act.</p>
Performance Rights	<p>A Performance Right is a right to acquire one Share for each Performance Right subject to satisfaction of performance conditions and the Performance Right vesting in accordance with the Agreement.</p> <p>Upon delivery to the Company of written notice of acceptance of an offer of Performance Rights the Company shall grant Performance Rights to that Eligible Participant (or that Eligible Participant's associated entity if applicable) in accordance with the accepted offer and the Eligible Participant (or associated entity) shall become the participant.</p>
Performance Conditions	<p>Performance Rights will be issued on terms that impose a real risk of forfeiture and cessation to the participants if the performance conditions are not met or the participant acts fraudulently or dishonestly, or if the participant ceases to be an Eligible Participant.</p> <p>Performance conditions are the conditions as determined by the Board which must be satisfied before a Performance Right can vest. The performance conditions for each participant will be specified in their individual offer.</p>
Performance Period	<p>Each individual offer of Performance Rights shall contain a grant date and an expiry date applicable to each participant pursuant to which the performance conditions must be satisfied.</p> <p>The Board is not permitted to be extend the expiry date without shareholder approval.</p>

<i>Vesting of Performance Rights</i>	<p>Until a Performance Right vests, an Eligible Participant, in his or her capacity as a holder of a Performance Right:</p> <ul style="list-style-type: none"> • does not have a legal or equitable interest in Shares; and • is not entitled to receive dividends or other Shareholder benefits. <p>If in the exercise of the Board's sole discretion, the Board determines that the performance conditions have been satisfied, the Performance Right has vested. The date on which the Board determines that the performance conditions have been satisfied is the vesting date.</p> <p>A Performance Right granted under the Performance Rights Plan will vest on the earliest of:</p> <ul style="list-style-type: none"> • the Board giving notice to the participant in writing that the relevant performance condition in relation to that Performance Right has been satisfied; • If the relevant Participant ceases to be an employee for a "qualifying reason" (refer further below), provided that in this case the Board has the discretion to determine the number of Performance Rights held by that participant that will vest, with the remainder lapsing; and • At the discretion of the Board, a "takeover or change of control" (refer further below) occurs. <p>A "qualifying reason" means broadly ceasing to be an Eligible Participant due to an event outside of the control of the participant such as death, total and permanent disability, bona fide redundancy and retirement.</p> <p>A "takeover or change of control" means a court approved merger by way of scheme of arrangement, a takeover bid becoming unconditional or a person acquiring more than 50.1% of the Company.</p>
<i>Shares</i>	<p>When a Performance Right vests, the participant will become entitled to receive one Share for each vested Performance Right.</p>
<i>Lapse of Performance Rights</i>	<p>A Performance Right granted will lapse on the earliest to occur of:</p> <ul style="list-style-type: none"> • the expiry date if the performance condition (if any) relating to that Performance Right has not been satisfied; • if in the opinion of the Board, the participant has acted fraudulently or dishonestly or in breach of his obligations to the Company or any of its subsidiaries, and the Board determining that the Performance Rights held by that participant should lapse; • the participant ceasing to be employed by the Company or a subsidiary of the Company for any reason other than a "qualifying reason" (as described above); and • the participant ceasing to be employed by the Company or a subsidiary of the Company for a "qualifying reason" (in which case, as explained above, the Board has a discretion to determine whether a Performance Right will lapse or vest).
<i>Transfers</i>	<p>The Performance Rights Plan does not allow participants to transfer Performance Rights unless the Board gives its prior written consent.</p>

<i>Security Interest</i>	A security interest created by a Participant over their Performance Rights will not be recognised by the Board in any manner until the underlying Performance Rights Shares are either issued or transferred.
<i>Adjustments upon alterations of capital</i>	<p>In the event of any reconstruction of the Company's issued capital, the Board may make adjustments to the terms of a Performance Right in a manner which is appropriate and will not result in any additional benefit being conferred on a Participant, which is not conferred on shareholders generally.</p> <p>If the Company issues shares to its shareholders generally by way of a "bonus issue", the number of Performance Right Shares which the participant is then entitled to hold shall be increased by the number of the securities which would have been issued if the Performance Rights held by the participant were exercised immediately prior to the record date for the bonus issue.</p> <p>Subject to the above adjustments, the Company will use its reasonable endeavours to ensure that each Participant is given an opportunity to participate in the new issue of shares of the Company as if the Performance Rights had vested.</p>
<i>Amendments</i>	The Board may by resolution, amend all or any of the provisions of the Performance Rights Plan with retrospective effect, provided that the amendment does not materially reduce the rights of the participants as they existed before the date of amendment. The Performance Rights Plan provisions do, however, provide that in limited circumstances (for example, for the purpose of complying with relevant legislation or the Listing Rules) amendments may be made even if they materially reduce the rights of the participants.

Securities issued under the Performance Rights Plan

The Performance Rights Plan has not previously been put to Shareholders for their approval.

12,503,238 Performance Rights are proposed to be issued to Dr Vanessa Guthrie under the Performance Rights Plan, subject to the passing of Resolution 4.

Board recommendation: The Board recommends that Shareholders vote in favour of Resolution 3.

Item 5 – Resolution 4: Grant of Performance Rights to Dr Vanessa Guthrie – Managing Director

The Board has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by section 211 of the Corporations Act is relevant in the circumstances and accordingly, the Company will not seek approval for the issue of the Performance Rights to Dr Vanessa Guthrie pursuant to section 208 of the Corporations Act in addition to the approval being sought under the Listing Rules.

Pursuant to Resolution 4, the Company is seeking Shareholder approval in accordance with Listing Rule 10.14 to make a grant of Performance Rights to Dr Guthrie in accordance with the terms and conditions of the Performance Rights Plan.

The following information is provided in accordance with Listing Rule 10.15 with respect to Resolution 4:

- (a) **Maximum number of securities:** Each vested Performance Right will convert into one Share. Accordingly, the maximum number of Shares that may be acquired by Dr Guthrie, for which shareholder approval is required, is 12,503,238.
- (b) **Terms of issue:** The Performance Rights will be issued in accordance with the terms of the Performance Rights Plan (which is summarised in Item 4 of this Explanatory Statement above).

The Performance Rights that will be issued will have the following key terms:

Vesting Date

The expiry date for the Performance Rights is three and a half years after the date of grant. Subject to accelerated vesting criteria and satisfying the relevant performance conditions in each year, a proportion of the Shares are available to vest each year. The first package of Performance Rights to vest, subject to the performance conditions, is on 30 June 2014.

Performance Conditions

- Half (6,251,619) of the total Performance Rights are available to vest over the three and a half year period subject to the Company's relative Total Shareholder Return. In each year the Company's performance ranking for the period to each 30 June is determined by reference to the Total Shareholder Return of the Company during that period as compared to the Total Shareholder Return for each company in the peer group of companies.
 - Half (6,251,619) of the Performance Rights are available to vest over the three and a half year period subject to Key Performance Indicators linked to the Company's strategy of growth through acquisition and/or production and/or exploration.
- (c) **Issue price:** Performance Rights issued under the Performance Rights Plan are issued for nil cash consideration. Any Shares issued upon vesting of Performance Rights will also be for nil cash consideration.
 - (d) **Prior participation:** No persons referred to in Listing Rule 10.14 have been issued securities under the Performance Rights Plan.
 - (e) **Future participation:** At the date of this notice, Dr Vanessa Guthrie is the only person of the kind referred to in Listing Rule 10.14 that is entitled to participate in the Performance Rights Plan.
 - (f) **Loan:** No loan is being made available in connection with the Performance Rights Plan.
 - (g) **Date of issue:** All Performance Rights to be issued to Dr Guthrie in accordance with Resolution 4 will be issued no later than one year after the date of the Meeting.

Board Recommendation: The Board, other than Dr Guthrie, recommends that Shareholders vote in favour of Resolution 4.

Item 6 – Resolution 5: Approval for Additional Placement Capacity

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the entity's annual general meeting ("**10% Placement Capacity**").

The Company is an Eligible Entity.

If Shareholders approve Resolution 5, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in the section below).

The effect of Resolution 5 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting or by proxy must be in favour of Resolution 5 for it to be passed.

Listing Rule 7.1A

Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$85.4M¹.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares. The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A = the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
 - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under this rule;

¹ This is based on a share price of \$0.082 and using the number of Shares in issue prior to completion of the Lake Maitland Acquisition.

(d) less the number of Shares cancelled in the previous 12 months.

D = 10%.

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rules 7.1 or 7.4.

Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in the paragraph immediately above, the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue. If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below. The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 9 October 2013. An example has been included in the table below showing the number of Shares on issue (Variable A in the formula) after completion of the Lake Maitland Acquisition and a further example assumes that Variable 'A' is double the number of Shares on issue after the Lake Maitland Acquisition.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on 50% decrease in current issue price	Funds raised based current issue price	Funds raised Based on 50% increase in current issue price
1,041,936,676² (Variable A at 9 October 2013)	104,193,667	\$4,271,940	\$8,543,880	\$12,815,821
1,481,936,676 (Variable A after the Lake Maitland Acquisition) *	148,193,667	\$6,075,940	\$12,151, 880	\$18,227,821
2,963,873,352 (100% increase in Variable A) ³	296,387,335	\$12,151,880	\$24,303,761	\$36,455,642

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- (a) The issue price set out above is the closing price of the Shares on the ASX on 9 October 2013 of \$0.082.
- (b) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (c) The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- (d) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (e) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
- (f) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (g) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- (h) No options are exercised before the date of the issue of the Equity Securities.

² This does not include the Shares issued on completion of the Lake Maitland Acquisition (and does not include the Shares issued to Pinetree Capital Ltd and Oz Minerals Ltd in connection with the Lake Maitland Acquisition).

³ After the Lake Maitland Acquisition

Shareholders should note that there is a risk that:

- (a) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (b) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- cash consideration to be applied to the continued development of Wiluna, value adding corporate transactions and general working capital requirements; or
- non-cash consideration for the acquisition of new resources, assets or investments

If the Equity Securities are issued for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration which demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (a) the purpose of the issue;
- (b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (c) the effect of the issue of the Equity Securities on the control of the Company;
- (d) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (e) prevailing market conditions; and
- (f) advice from corporate, financial and broking advisers (if applicable).

Compliance with Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (a) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (b) the information required by Listing Rule 3.10.5A for release to the market.

Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

Previous Approval under Listing Rule 7.1A

The Company has previously obtained approval under Listing Rule 7.1A. The total number of equity securities issued after the last Annual General Meeting to the date of this notice is 77,967,807, representing 7.48% of the Shares on issue at the date of the last Annual General Meeting.

The following is the additional information required in relation to all issues of equity securities during the preceding year.

Date of issue:	6 March 2013
Number issued:	42, 253,521
Class/Type of equity security:	Options - Unquoted
Summary of terms:	Expiry Date: 7 March 2016
Names of persons who received securities or basis on which those persons was determined:	Issue of unlisted options to Macquarie Bank Limited, in accordance with the Macquarie Bank Convertible Debt Facility.
Price:	Exercise Price: \$0.142
Non-cash consideration paid:	The unlisted options were issued under the Macquarie Bank Convertible Debt Facility. The unlisted options were ratified by the Shareholders at the Extraordinary General Meeting held on 18 October 2013, a summary of the options is set out in the Explanatory Statement to that Extraordinary General Meeting.
Current value of that non-cash consideration:	42,253,521 options valued at \$0.0386 per option under Black Scholes methodology (\$1,630,985).

Date of issue:	27 June 2013
Number issued:	35,714,286
Class/Type of equity security:	Options - Unquoted
Summary of terms:	Expiry Date: 7 March 2016
Names of persons who received securities or basis on which those persons was determined:	Issue of unlisted options to Macquarie Bank Limited, in accordance with the Macquarie Bank Convertible Debt Facility.
Price:	Exercise Price: \$0.084
Non-cash consideration paid:	The unlisted options were issued under the Macquarie Bank Convertible Debt Facility. The unlisted options were ratified by the Shareholders at the Extraordinary General Meeting held on 18 October 2013, a summary of the options is set out in the Explanatory Statement to that Extraordinary General Meeting.
Current value of that non-cash consideration:	35,714,286 options valued at \$0.031 per option under Black Scholes methodology (\$1,107,142).

Board recommendation: The Board recommends that Shareholders vote in favour of Resolution 5.

Glossary

In this Notice and Explanatory Statement:

\$ means Australian Dollars.

Annual Financial Report means the Company's financial report contained in the Annual Report.

Annual Report means the Company's annual report for the year ending 30 June 2013.

Auditor's Report means the Auditor's Report contained in the Annual Report.

ASX means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.

Board means the board of Directors.

Chairman means the Chairman of the Company.

closely related party of a member of the key management personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependant of the member or of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- a company that the member controls; or
- a person prescribed to be a closely related party by the *Corporations Regulations 2001* (Cth).

Company means Toro Energy Limited ABN 48 117 127 590.

Constitution means the Constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth), as amended.

Director means a director of the Company.

Directors' Report means the Directors' Report contained in the Annual Report.

Equity Securities has the same meaning as the Listing Rules.

Explanatory Statement means the explanatory statement to the Notice.

key management personnel has the same meaning as in the accounting standards; and so the term, broadly, includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any director of the Company.

Lake Maitland Acquisition means the acquisition of the Lake Maitland uranium project in Western Australia from Mega Uranium Ltd for 415 million fully paid ordinary Shares in the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice and includes, for the avoidance of doubt, any meeting arising from the adjournment or postponement of the Meeting.

Notice means this notice of meeting.

Performance Rights means a performance right issued in accordance with the terms of the Performance Rights Plan.

Performance Rights Plan means the Toro Energy Limited Management Performance Rights Plan approved by the Board in October 2013.

Proxy Form means the proxy appointment form enclosed with this Notice.

Remuneration Report means the Remuneration Report contained in the Director's Report.

Resolution means a resolution contained in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form



Vote and view the annual report online

Go to www.investorvote.com.au or scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10:30am (WST) on Tuesday 26 November 2013**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Toro Energy Limited hereby appoint

☐

the Chairman
of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Toro Energy Limited to be held at QV.1 Conference Centre, Training Room 1, Level 2, 250 St Georges Terrace, Perth, WA on Thursday, 28 November 2013 at 10:30am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 3 and 4 (except where I/we have indicated a different voting intention below) even though Items 1, 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 3 and 4 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Greg Hall as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 The Grant of Performance Rights to Dr Vanessa Guthrie – Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /

TOE

1 7 4 7 1 7 A

Computershare



Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Toro Energy Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Todd Alder
Company Secretary